



Elkhart Housing Partnership, Inc.

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November 9, 2004

Tony Dzwonar, Director
External Affairs
Office of Utility Consumer Counselor
100 North Senate Ave., Room N501
Indianapolis, IN 46204-2215

RE: Proposed Changes in Rights & Responsibilities of Indiana Utility Consumers

Dear Mr. Dzwonar:

As one of the largest affordable housing developers in Northern Indiana, the Elkhart Housing Partnership is seriously concerned about the potentially negative effect proposed administrative changes being considered by the Indiana Utilities Regulatory Commission (IURC) will have on the ability of lower-income families to find decent, safe and affordable housing.

Under consideration is an important rule change governing consumer deposits that may adversely impact a low-income working family's ability to establish accounts with our local gas and electric utilities. The proposed change would allow utilities to use a "predetermined minimum credit score" in deciding whether or not a deposit will be required. EHP is concerned that lower income rental clients cannot afford to pay excessively high deposits for their utilities. Many of our own clients are either on disability or a limited, fixed income. Asking such households to pay from 2 to 4 months of their annual utility bill as a deposit would force them to sacrifice on other essential expenses such as, food, medicine and childcare.

Clearly, a poor credit score does not necessarily reflect a person's ability to pay their utility bills. Often, EHP clients have one large unpaid medical expense on their report, which substantially lowers their score. Moreover, the proposed rule change is unfair in that persons with little or no official credit history would by default have to pay higher deposits than those with "good credit scores". Ironically, many households establish positive credit history via regular monthly payments to their cable, utility and landlords. However, these alternative lines of credit are not reported to the credit repositories unless the client defaults on their payments.

It is well known that the information contained in one's credit report is often inaccurate. A person's credit score can vary substantially from one credit-reporting agency to another, based on the information available to each repository. Many of our clients have



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never seen their credit report and do not understand how to correct the inaccuracies contained therein.

In conclusion, Elkhart Housing Partnership requests that the IURC not permit local utility companies in Northern Indiana to establish "predetermined minimum credit scores" in deciding whether or not a deposit will be required. And, should deposits continue to be required for utility connects, we would advocate that the IURC impose regulations to ensure that deposits be collected in accordance with the following guidelines:

1. Utility deposit policies should be fair and uniformly applied to all consumers
2. Deposits shall not be based on a client's credit score
3. No consumer shall be required to pay in excess of one month of the annual consumer bill as a deposit

On behalf of the Board of Directors of the Elkhart Housing Partnership, I appreciate your considering our concerns regarding the proposed rule changes.

Sincerely,



Arthur K. Umble
Board President

Hey Tony!
See you on Dec 1 in South Bend!
Cheers
Avt